



STATE OF MICHIGAN

FOR IMMEDIATE RELEASE
Monday, October, 27, 2003

CONTACT: Matt Resch
(517) 373-8982
Bill Nowling
(517) 373-5899

Republicans Fighting For Every Michigan Job

Legislative Leaders Announce 9-point Jobs and Economic Stimulus Plan

*Creating Manufacturing Jobs, Expanding Emphasis on Life-Sciences and High-Tech
Jobs, Spurring Business Investment
Top Michigan Republicans' Proposal*

GRAND RAPIDS – House and Senate Republicans today unveiled an unprecedented proposal to provide much-needed job opportunities for Michigan residents. The proposal would help create manufacturing jobs, spur new small-business investment for more job opportunities, and provide incentives to expand the state's slow-moving economy by getting Michigan residents back to work.

The nine-point plan, announced today by House Speaker Rick Johnson and Senate Majority Leader Ken Sikkema, marks the first time both Republican majority caucuses have come together behind a common goal. Both leaders said the proposal would top their respective chambers' fall legislative agenda.

"The only way we are going to solve Michigan's economic woes and eliminate future deficits is to grow our economy, and this Republican proposal is designed to do that," said Sikkema, R-Wyoming. "The deficit we face today is the direct result of the good-paying jobs Michigan families have lost since the recession hit. These initial nine steps in our plan will create the opportunities and jobs needed to lead Michigan to economic success."

Speaker Johnson, R-LeRoy, said Republicans have a strong track record on helping Michigan businesses create jobs and strengthen the state's economic engine. Now, he said Republicans will use what they learned in the 1990s to help turn around Michigan's economy.

"We are going to fight for every Michigan job and preserve our way of life," Johnson said. "Michigan cannot afford to wait for our economy to get better. We have to be proactive now."

Capping off the stimulus plan is a package of bills to revitalize the state's floundering tool and die industry, which has been especially hard hit with job losses and overseas competition. The main component of this package is the creation of Tool & Die Recovery Zones, which would provide tax relief similar to a Renaissance Zone.

The other marquee of this proposal is a tax incentive for new start-up businesses. Under this proposal, small start-up businesses would be exempt from most taxes in their first two years of operation, and then have their tax liabilities phased in over the following four years.

In addition to the tool & die and startup businesses incentives, the Republican stimulus proposal would:

- Reauthorize, strengthen and provide more accountability for the Michigan Economic Growth Authority, which expires on Dec. 31. MEGA is the state's main tax-incentive granting authority used to spur economic development.
- Create a venture capital investment incentive by offering income and Single Business Tax breaks to those that might lose money investing in Michigan start-up businesses.
- Establish a Clean Michigan Initiative revolving loan program to clean up abandoned brownfield sites. This program would transfer the remaining CMI funding into a grant and loan program.
- Improve Michigan's infrastructure by expediting the 2002 voter-approved Sewer Bond Initiative to allow communities to start construction projects sooner.
- Call on the Michigan Economic Development Corporation to provide a small-business "czar" and a manufacturing "czar" with the experience and vision to focus on small-business start-ups as well as retaining and creating manufacturing jobs.
- Implement a Forestry Initiative that would adopt forest management changes to protect the environment and create new job opportunities by strengthening Michigan's timber industry.

Johnson and Sikkema said many of the proposals in the stimulus package came from the House and Senate Joint Committee on Business Competitiveness. That committee, chaired by Rep. Clark Bisbee, R-Jackson, and Sen. Alan Sanborn, R-Richmond, conducted hearings around the state to gather information and solicit public opinion on how to make Michigan more competitive for jobs and business investment in the 21st century.

The leaders also said this nine-point stimulus package represents only the first phase in Republican efforts to strengthen Michigan's economy. After lawmakers finish work on these proposals, they will turn their attention to new incentives and legislation aimed at keeping the state's economy on the move.